Amendment No. 1

| COMMITTEE/SUBCOMMI | TTEE ACTION |
|-----------------------|-------------|
| ADOPTED | (Y/N) |
| ADOPTED AS AMENDED | (Y/N) |
| ADOPTED W/O OBJECTION | (Y/N) |
| FAILED TO ADOPT | (Y/N) |
| WITHDRAWN | (Y/N) |
| OTHER | |
| | |

Committee/Subcommittee hearing PCB: Business & Professional Regulation Subcommittee

Representative Steube offered the following:

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Amendment (with title amendment)

Remove everything after the enacting clause and insert: Section 1. Subsections (2) and (3) of section 561.221, Florida Statutes, are amended, and subsection (4) is added to that section, to read:

- 561.221 Retail exceptions to manufacturing licenses and brewing exceptions to vendor licenses Licensing of manufacturers and distributors as vendors and of vendors as manufacturers; conditions and limitations.—
- (2) A manufacturer of malt beverages who is licensed and engaged in the manufacture of malt beverages in this state may sell directly to consumers in face-to-face transactions, which notwithstanding s. 561.57(1) requires the physical presence of

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the consumer to make payment for and take receipt of the beverages on the licensed premises property, as follows:

- (a) At a taproom, malt beverages brewed by the manufacturer on the licensed manufacturing premises may be sold to consumers for on-premises or off-premises consumption without obtaining a vendor's license, subject to the following requirements:
- 1. The taproom must be a room or rooms located on the manufacturing licensed premises consisting of a single complex, which shall include a brewery. Such premises may be divided by no more than one public street or highway. The taproom shall be included on the sketch or diagram defining the licensed premises submitted with the manufacturer's license application. All sketch or diagram revisions by the manufacturer shall require the division's approval verifying that the taproom operated by the licensed manufacturer is owned or leased by the manufacturer and on licensed manufacturing premises.
- 2. Taproom sales to consumers for off-premises consumption are limited to growlers only, pursuant to the requirements set forth in s. 563.06(7).
- 3. The manufacturer of malt beverages pursuant to this subsection shall be responsible for applicable reports pursuant to ss. 561.50 and 561.55 with respect to the amount of malt beverage sold or given to consumers in the taproom each month and shall pay applicable excise taxes thereon to the division by the 10th day of each month for the previous month.

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- 4. Nothing in this subsection precludes a licensed manufacturer of malt beverages with a taproom from also holding a permanent food service license at the taproom.
- 5. No manufacturer may hold a vendor license at a licensed manufacturing premises operating a taproom pursuant to this paragraph.
- (b) In lieu of a taproom, on or after July 1, 2014, the The division is authorized to issue a vendor's license licenses to a manufacturer of malt beverages at no more than one manufacturing premises for which the manufacturer has an interest, directly or indirectly, in the license if the following requirements are met:, even if such manufacturer is also licensed as a distributor, for the sale of alcoholic beverages on property consisting of a single complex, which property shall include a brewery and such other structures which promote the brewery and the tourist industry of the state. However, such property may be divided by no more than one public street or highway.
- 1. A licensed manufacturer may obtain one vendor's license at no more than one licensed manufacturing premises. Any additional manufacturing premises for which the manufacturer has an interest, directly or indirectly, in the license may operate a taproom without a vendor's license pursuant to the requirements set forth in paragraph (a).
- 2. The vendor's license shall be located on the manufacturing premises consisting of a single complex, which

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| 70 | shall include a brewery. Such premises may be divided by no more |
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| 71 | than one public street or highway. The vendor licensed premises |
| 72 | shall be included on the sketch or diagram defining the licensed |
| 73 | premises submitted with the manufacturer's license application. |
| 74 | All sketch or diagram revisions by the manufacturer shall |
| 75 | require the division's approval verifying that the vendor |
| 76 | premises operated by the licensed manufacturer is owned or |
| 77 | leased by the manufacturer and on the licensed manufacturing |
| 78 | premises. |

- 3. The manufacturer may sell alcoholic beverages under its vendor's license as follows:
- a. Malt beverages manufactured on the licensed premises; at another manufacturing premises for which the manufacturer has an interest, directly or indirectly, in the license; or in collaboration with another manufacturer for:
 - (I) On-premises consumption.
- (II) Off-premises consumption in authorized containers, pursuant to s. 563.06(6).
- (III) Off-premises consumption in growlers, pursuant to s. 563.06(7).
- b. Malt beverages manufactured exclusively by other manufacturers for:
 - (I) On-premises consumption.
- (II) Off-premises consumption in authorized containers, pursuant to s. 563.06(6).

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95 (III) Off-premises consumption in growlers, pursuant to s. 96 563.06(7), by holders of a quota license.

- c. Any wine or liquor for on-premises or off-premises consumption as authorized under its vendor's license.
- 4. The manufacturer of malt beverages pursuant to this subsection shall be responsible for applicable reports pursuant to ss. 561.50 and 561.55 with respect to the amount of malt beverages manufactured and sold pursuant to their vendor's license, or given to consumers each month, including malt beverages brewed in collaboration with another manufacturer, and shall pay applicable excise taxes thereon to the division by the 10th day of each month for the previous month.
- 5. Nothing in this subsection precludes a licensed manufacturer of malt beverages with a vendor's license from also holding a permanent food service license at the taproom.
- at more than one manufacturer's premises pursuant to this subsection prior to July 1, 2014, may maintain the licenses previously obtained, but shall not obtain additional vendor's licenses. However, except as to the allowance for manufacturers holding a vendor's license at more than one licensed manufacturing premises prior to July 1, 2014, a vendor's license held by a manufacturer of malt beverages pursuant to this subsection, regardless of when first obtained, shall be subject to the requirements of subparagraphs (b)1.-5.

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| 7. An entity with direct or indirect interests in vendor |
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| licenses issued to not more than one manufacturing premises |
| under paragraph (2)(b) may not be related, directly or |
| indirectly, to one or more other entities having interests, |
| directly or indirectly, in other vendor licenses issued to other |
| separate manufacturing premises. This provision prohibits the |
| creation of a chain of more than one vendor licensed |
| manufacturing premises under common control of entities having |
| direct or indirect interests in such vendor licensed |
| manufacturing facilities. This does not prohibit the purchase |
| or ownership of stock in a publicly traded corporation where the |
| licensee does not have and does not obtain a controlling |
| interest in the corporation. |

- (3) The division is authorized to issue a manufacturer's license and a vendor's license to a brewpub. In order to operate as a brewpub, the following requirements must be met:
- (a) Notwithstanding other provisions of the Beverage Law, any vendor licensed in this state may be licensed as a manufacturer of malt beverages upon a finding by the division that:
- 1. The <u>brewpub</u> vendor will be engaged in brewing malt beverages at a single <u>licensed brewpub premises</u> location and in an amount which will not exceed 10,000 kegs per <u>calendar</u> year. For purposes of this subsection, the term "keg" means 15.5 gallons.

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| 145 | | (b) | Α | brewpul | b may | sell | . a] | coholic | beverages | in | face- | -to- | face |
|-----|-------|------|-----|---------|--------|------|------|---------|-----------|----|-------|------|------|
| 146 | trans | acti | ons | with | consur | ners | as | follows | : | | | | |

- 1. Malt beverages manufactured on the licensed brewpub premises for on-premises consumption.
- 2. Malt beverages manufactured exclusively by other manufacturers for on-premises consumption as authorized under its vendor's license.
- 3. Any wine or liquor for on-premises consumption as authorized under its vendor's license.
- 2. The malt beverages so brewed will be sold to consumers for consumption on the vendor's licensed premises or on contiguous licensed premises owned by the vendor.
- (c) The brewpub may not ship malt beverages to or between licensed brewpub premises owned by the licensed entity. A brewpub is not a manufacturer for the purposes of s. 563.022(14).
- (d) The brewpub may not distribute or sell malt beverages outside the licensed brewpub premises.
- (e) The brewpub must hold a permanent food service license.
- (f) (b) The brewpub Any vendor which is also licensed as a manufacturer of malt beverages pursuant to this subsection shall be responsible for applicable reports pursuant to ss. 561.50 and 561.55 with respect to the amount of beverage manufactured each month and shall pay applicable excise taxes thereon to the division by the 10th day of each month for the previous month.

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(g) (e) It shall be unlawful for any licensed distributor of malt beverages or any officer, agent, or other representative thereof to discourage or prohibit any brewpub vendor licensed as a manufacturer under this subsection from offering malt beverages brewed for consumption on the licensed premises of the vendor.

- (h)(d) It shall be unlawful for any manufacturer of malt beverages or any officer, agent, or other representative thereof to take any action to discourage or prohibit any distributor of the manufacturer's product from distributing such product to a licensed brewpub vendor which is also licensed as a manufacturer of malt beverages pursuant to this subsection.
- (4) It is the intent of the Legislature that the provisions relating to the sale of malt beverages in a taproom by a malt beverage manufacturer pursuant to s. 561.221(2)(a), and to the sale of alcoholic beverages by a malt beverages manufacturer pursuant to a vendor license issued pursuant to s. 561.221(2)(b), and to the operation of a licensed brewpub pursuant to s. 561.221(3) constitute limited exceptions to the manufacturing and vendor licensing requirements of the Beverage Law. Anything not specifically authorized in these provisions shall be prohibited unless otherwise authorized by the Beverage Law.
- Section 2. Paragraph (e) of subsection (14) of section 561.42, Florida Statutes, is amended, to read:
 - 561.42 Tied house evil; financial aid and assistance to

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vendor by manufacturer, distributor, importer, primary American source of supply, brand owner or registrant, or any broker, sales agent, or sales person thereof, prohibited; procedure for enforcement; exception.—

- (14) The division shall adopt reasonable rules governing promotional displays and advertising, which rules shall not conflict with or be more stringent than the federal regulations pertaining to such promotional displays and advertising furnished to vendors by distributors, manufacturers, importers, primary American sources of supply, or brand owners or registrants, or any broker, sales agent, or sales person thereof; however:
- (e) Manufacturers, distributors, importers, brand owners, or brand registrants of beer, and any broker, sales agent, or sales person thereof, shall not conduct any sampling activities that include tasting of their product at a vendor's premises licensed for off-premises sales only.
- Section 3. Subsection (1) of section 561.5101, Florida Statutes, is amended, to read:
 - 561.5101 Come-to-rest requirement; exceptions; penalties.-
- (1) For purposes of inspection and tax-revenue control, all malt beverages, except those manufactured and sold pursuant to s. 561.221(2) or (3), must come to rest at the licensed premises of an alcoholic beverage wholesaler in this state before being sold to a vendor by the wholesaler. The prohibition contained in this subsection does not apply to the shipment of

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malt beverages commonly known as private labels. The prohibition contained in this subsection shall not prevent a manufacturer from shipping malt beverages for storage at a bonded warehouse facility, provided that such malt beverages are distributed as provided in this subsection or to an out-of-state entity.

Section 4. Subsection (6) of section 561.57, Florida Statutes, is amended, to read:

- 561.57 Deliveries by licensees.—
- (6) Common carriers are not required to have vehicle permits to transport alcoholic beverages. Common carriers shall not make deliveries of malt beverages directly to a consumer.
- Section 5. Subsections (1) and (3) of section 562.34, Florida Statutes, are amended, to read:
 - 562.34 Containers; seizure and forfeiture.-
- (1) It shall be unlawful for any person to have in her or his possession, custody, or control any cans, jugs, jars, bottles, vessels, or any other type of containers which are being used, are intended to be used, or are known by the possessor to have been used to bottle or package alcoholic beverages; however, this provision shall not apply to any person properly licensed to bottle or package such alcoholic beverages or to any person intending to dispose of such containers to a person, firm, or corporation properly licensed to bottle or package such alcoholic beverages, or to any person that has in her or his possession a growler, as defined in s. 563.06(7).
 - (3) It shall be unlawful for any person to transport any

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cans, jugs, jars, bottles, vessels, or any other type of containers intended to be used to bottle or package alcoholic beverages; however, this section shall not apply to any firm or corporation holding a license to manufacture or distribute such alcoholic beverages and shall not apply to any person transporting such containers to any person, firm, or corporation holding a license to manufacture or distribute such alcoholic beverages, or to any person transporting a growler, as defined in s. 563.06(7).

Section 6. Paragraph (d) of subsection (14) of section 563.022, Florida Statutes, is amended and paragraph (g) is added to that section, to read:

563.022 Relations between beer distributors and manufacturers.—

- (14) MANUFACTURER; PROHIBITED INTERESTS.—
- (d) Nothing in the Beverage Law shall be construed to prohibit a manufacturer from shipping products to or between its licensed manufacturing premises breweries without a distributor's license. Malt beverages brewed in collaboration between two manufacturers shall be considered products of both manufacturers and may be shipped to the licensed manufacturing premises of either manufacturer pursuant to this section.

Section 7. Subsections (1), (6), and (7) of section 563.06, Florida Statutes, are amended, to read:

563.06 Malt beverages; imprint on individual container; size of containers; growlers; exemptions.—

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- (1) All On and after October 1, 1959, all taxable malt beverages packaged in individual containers possessed by any person in the state for the purpose of sale or resale in the state, except operators of railroads, sleeping cars, steamships, buses, and airplanes engaged in interstate commerce and licensed under this section, shall have imprinted thereon in clearly legible fashion by any permanent method the word "Florida" or "FL" and no other state name or abbreviation of any state name in not less than 8-point type. The word "Florida" or "FL" shall appear first or last, if imprinted in conjunction with any manufacturer's code. A facsimile of the imprinting and its location as it will appear on the individual container shall be submitted to the division for approval.
- subsection (7) below, all All malt beverages packaged in individual containers sold or offered for sale by vendors at retail in this state shall be in individual containers containing no more than 32 ounces of such malt beverages; provided, however, that nothing contained in this section shall affect malt beverages packaged in bulk or in kegs or in barrels or in any individual container containing 1 gallon or more of such malt beverage regardless of individual container type.
- (7) (a) The term "growler" as used in the Beverage Law, means any 32 ounce, 64 ounce, 128 ounce, 1 liter, or 2 liter container originally manufactured to hold malt beverages.
 - (b) Growlers may be filled or refilled with malt beverages

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as follows:

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- 1. With malt beverages manufactured by the manufacturer who holds a valid manufacturer's license and has a taproom pursuant to s. 561.221(2)(a).
- 2. With malt beverages manufactured by the manufacturer who holds a valid manufacturer's license and a valid vendor's license pursuant to s. 561.221(2)(b).
- 3. With any malt beverages, by a manufacturer who holds a valid manufacturer's license pursuant to s. 561.221(2) and a valid quota license pursuant to ss. 561.20(1) and 565.02(1)(a)-(f).
- 4. With any malt beverages by a vendor who holds a valid quota license pursuant to ss. 561.20(1) and 565.02(1)(a)-(f).
- (c) The container must have an unbroken seal or be incapable of being immediately consumed.
- d) The container must be clearly labeled as containing an alcoholic beverage and provide the name of the manufacturer, the brand, the volume, the percentage of alcohol by volume, and the required federal health warning notice for alcoholic beverages. If the growler being refilled has an existing label or other identifying mark from a manufacturer or brand, that label shall be covered sufficiently to indicate the manufacturer and brand of the malt beverage placed in the container.
 - (e) The container shall be clean prior to filling.
- 325 <u>(f) Licensees authorized to fill growlers may not use</u> 326 growlers for purposes of distribution or sale outside the

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| 327 | manufacturer's | or | vendor's | licensed | premises |
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(8)(7) Any person, firm, or corporation, its agents, officers or employees, violating any of the provisions of this section, shall be guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083; and the license, if any, shall be subject to revocation or suspension by the division.

Section 8. Section 563.09, Florida Statutes, is created to read:

- 563.09 Malt beverage tastings by distributors and manufacturers.—A licensed distributor of malt beverages or a manufacturer of malt beverages may conduct a malt beverage tasting subject to the following requirements:
- (1) Tastings may only be conducted in the interior of a licensed premises authorized to sell alcoholic beverages as follows:
- (a) By package, if the premises consists of at least 10,000 square feet or more of interior space.
- (b) By package, if the premises is licensed pursuant to s. 565.02(1)(a), regardless of the premise's interior square footage.
 - (c) For consumption on the premises.
- 349 (2) The malt beverage tasting is limited to and directed
 350 toward members of the general public who are of the age of legal
 351 consumption.
 - (3) Samples may be:

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- (b) Served in a cup, glass, or other open container.
- (4) The manufacturer or distributor may purchase the malt beverages used in the tastings from the vendor at no more than retail price.
- (5) The manufacturer or distributor conducting the tasting shall:
- (a) Provide all of the malt beverages used for the tasting.
- (b) Not pay a vendor a fee or compensation of any kind, including the provision of any malt beverage at no or reduced cost.
- (c) Be responsible for applicable reports and shall pay applicable excise taxes thereon to the division. If the manufacturer or distributor contracts with a third-party to conduct the tasting, the manufacturer or distributor remains responsible for the recordkeeping requirements and excise tax payments.
- (d) Properly dispose of malt beverages provided for the tastings which remain unconsumed after the tasting.
- (6) This paragraph does not preclude a vendor from conducting a malt beverage tasting on its licensed premises using malt beverages from its own inventory.
- 376 (7) This section is supplemental to and does not supersede 377 any special act or ordinance.

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Statutes, as amended by this act is held invalid, or if the application of this subsection to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end s. 561.221(2), Florida Statutes, is severable.

Section 10. This act shall take effect July 1, 2014.

TITLE AMENDMENT

Remove everything before the enacting clause and insert:

A bill to be entitled

An act relating to malt beverages; amending s. 561.221, F.S.; clarifying malt beverage three-tier system exceptions and application; setting requirements and parameters for manufacturers obtaining vendor's licenses; providing a definition; amending s. 561.42, F.S.; deleting the prohibition against manufacturers and distributors conducting tastings; amending s. 561.5101, F.S.; updating a cross-reference; amending s. 561.57, F.S.; providing that common carriers are not permitted to make deliveries of malt beverages to consumers; amending s. 562.34, F.S.; providing that possessing and transporting growler containers is lawful; amending s. 563.022, F.S.; clarifying the treatment of malt beverages brewed in

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COMMITTEE/SUBCOMMITTEE AMENDMENT

PCB Name: PCB BPRS 14-02 (2014)

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| collaboration between two manufacturers; amending s. 563.06, |
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| F.S.; providing a definition; setting requirements for growlers; |
| creating s. 563.09, F.S.; allowing malt beverage tastings to be |
| conducted by manufacturers and distributors with limitations; |
| providing severability; providing an effective date. |

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